



WEEKLY NEWSLETTER

"For SMART Management"

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MARGINSMART® Sample Farm Profitability Changes From Last Report

	Mar. '15	April '15	May '15	June '15	July '15	Aug. '15	Sep. '15	Oct. '15	Nov. '15	Dec. '15	Jan. '16	Feb. '16
Change From Prior Week	+0.04	+0.10	-0.01	-0.24	-0.51	-0.54	-0.43	-0.38	-0.32	-0.12	-0.11	-0.02

WEEKLY MARGINSMART® Notes From President Mark Linzmeier

The weekly newsletter will keep you up-to-date on various topics such as market news, upcoming events, and getting the most out of MARGINSMART®.



MARGINSMART® Tip of the Week

This week we revisit your Scenario Farm option. This option comes with your license and allows you to easily see the potential financial implications of changes to your operation. You can use this option for any one of the following items:

- Expansion plans
- Ration changes (including milk production changes)
- Cow level changes
- Impact of locking in portions of your milk or feed price
- Dairy only vs. combined dairy and cropping operation
- Changes to various operating expenses for new technology implemented on the dairy
- Impact of changes in shrink percentages or overfeed percentages

We can set these up for you. Call us to discuss.

Market News

Milk: Milk production in the 23 major States during Feb '15 totaled 15.1Bn pounds, up 1.7% from Feb '14. Production per cow in the 23 major States averaged 1,757 pounds for Feb '15, 8 pounds above Feb '14.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

- As we move into spring, we are now seeing updates to various planting projections by industry analysts. The latest info released indicates projections for reduced corn acreage of approximately 2M acres and increased soybean acreage of 2.5 – 3.5M acres during 2015.
- The US Dollar has moved lower in currency value which has helped push grain prices slightly higher over the past week.
- Cow slaughter is 6% below 2014 levels YTD

MARGINSMART® Insight

As you wrap up your 2014 financial statements and tax work, this is a great time for us to revisit your 2015 and 2016 projections for operating income and expenses.

Contact Curtis Gerrits for a **FREE**
MARGINSMART® Demo!!
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Market Price Updates (As of 3/20/2015 Close)

	Mar '15	+/-*	Apr '15	+/-*	May '15	+/-*	June '15	+/-*	Jul '15	+/-*	Sep '15	+/-*	New Crop	+/-*
Class III Milk	15.54	+0.04	15.50	+0.10	15.11	+0.01	15.37	-0.24	15.83	-0.49	16.85	-0.40	17.06	-0.09
Class IV Milk	14.16	-0.01	13.90	-0.33	14.25	-0.28	14.49	-0.42	15.10	-0.27	15.79	-0.33	16.60	-0.31
Cash Butter	1.70	-0.01	1.70	-0.02	1.74	-0.01	1.75	-0.00	1.77	-0.01	1.80	-0.01	1.82	-0.01
Cash Cheese	1.57	-0.00	1.59	+0.01	1.56	-0.00	1.60	-0.02	1.65	-0.04	1.76	-0.03	1.78	-0.01
Corn					3.85	+0.05			3.93	+0.05	4.00	+0.05	4.09	+0.04
Soybeans					9.74	-0.00			9.78	-0.00	9.62	-0.01	9.56	+0.03
Soybean Meal					324	-3			322	-2	319	-2	316	-0

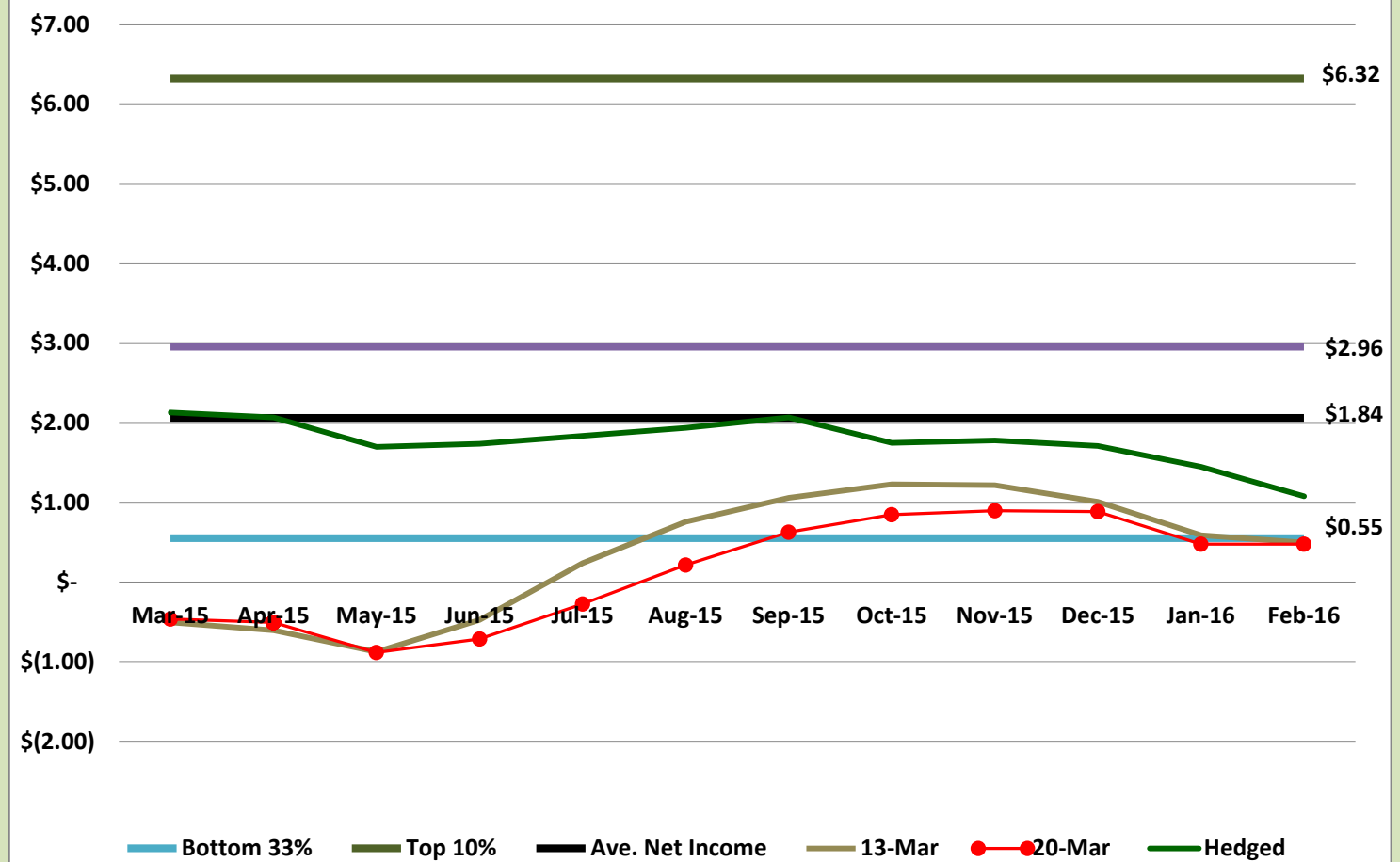
*Change from the Previous Week Price

**New Crop: Milk (Dec.), Corn (Dec.), Soybeans (Nov.), Soybean Meal (Dec.)



MARGINSMART® maintains a fully virtual Sample Farm with 1,500 mature cows and 86 #s of milk / head / day shipped average. It buys 100% of its feed at market and its heifers are custom raised. The red line on the Net Income chart below shows the net income / cwt. available last Friday over the next 12 months based on 100% market prices for milk and feed, and full operating activities.

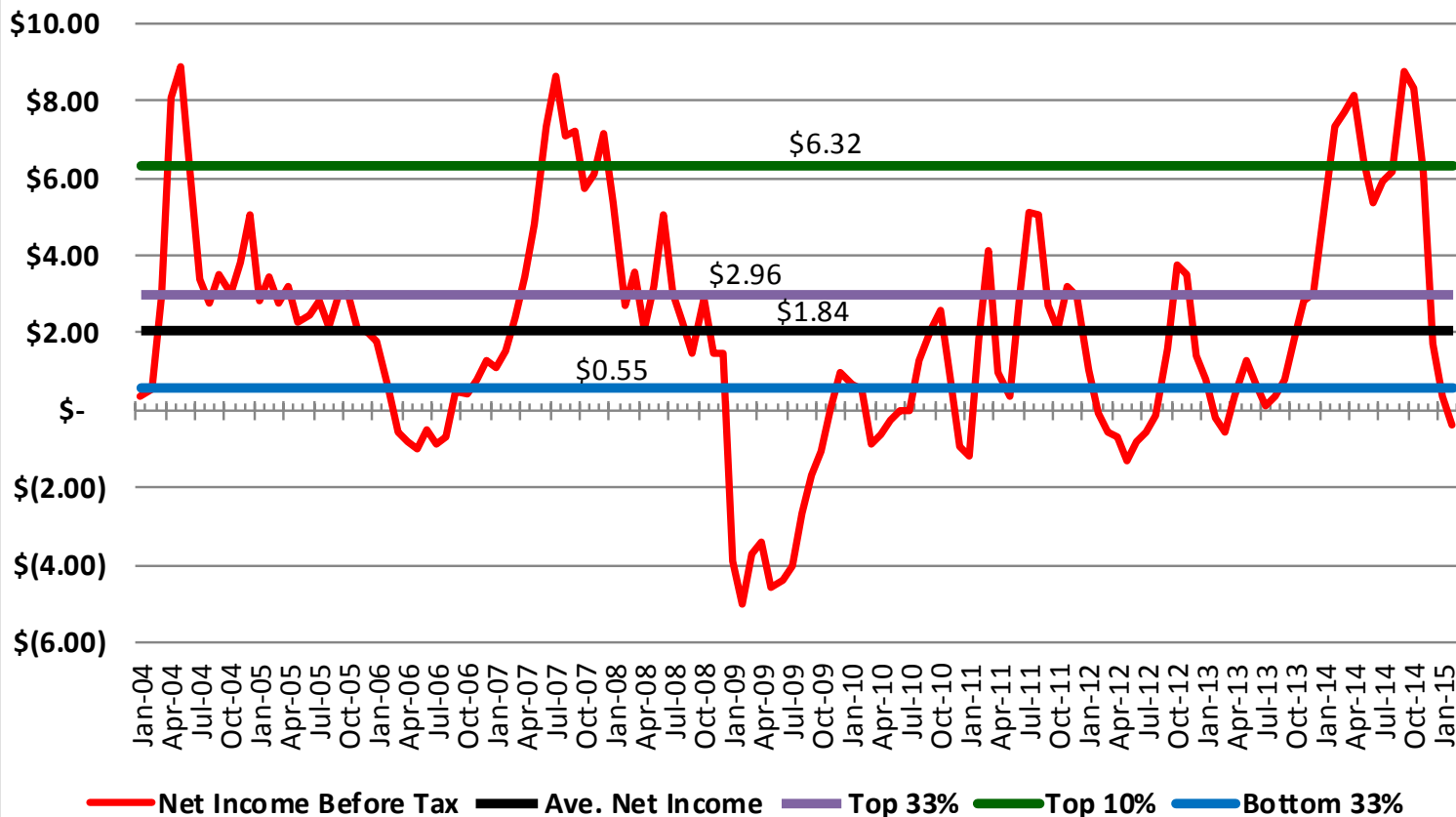
Net Income Available March 20, 2015





MARGINSMART® maintains a fully virtual Sample Farm with 1,500 mature cows and 86 #s (current level – this has increased over the past 11 years) of milk / head / day shipped average. It buys 100% of its feed at market and its heifers are custom raised. We calculated the past 11 years’ results (with adj. milk / day). The red line on the chart below shows the net income before tax for the last 11 years WITHOUT ANY contracting, and completely subject to market prices. It also shows the Top 10% (90th percentile), top 33% (67th percentage), the average and bottom 33% (33rd percentile.)

2004-2015 Historical Net Income Before Tax





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Historical Annual Average Net Income Before Tax

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.04	2.67	0.07	5.21	2.89	-2.79	0.44	2.52	0.60	0.95	6.46

Historical Quarterly Average Net Income Before Tax

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
2004	1.27	7.70	3.22	3.95
2005	3.01	2.64	2.64	2.38
2006	0.58	-0.79	-0.34	0.83
2007	1.66	5.19	7.64	6.34
2008	3.90	3.43	2.27	1.95
2009	-4.22	-4.15	-2.79	-0.01
2010	0.11	-0.30	1.13	0.82
2011	1.58	1.42	4.30	2.76
2012	0.15	-0.95	0.30	2.92
2013	0.02	0.77	0.43	2.57
2014	6.82	6.67	6.93	5.41